



# City of Seattle

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Gregory J. Nickels, Mayor

## Office of the Mayor

July 25, 2006

Honorable Nick Licata  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Licata:

I am pleased to transmit the attached proposed Council Bill that establishes rates, terms, and conditions for the use and sale of electricity supplied by Seattle City Light (SCL) to its retail customers, effective January 1, 2007. In addition, the Bill revises a number of rate schedules and terms and conditions that are associated with the provision of electric service.

The rates set forth in this legislation provide sufficient revenue to cover SCL's forecasted costs of service and are consistent with its financial policies for the 2007-2008 biennium. The Bill proposes an average system rate decrease of 4.8%, resulting in a cost of 5.85¢/kWh. The average rate for Seattle's residential customers would decrease by 2.2 percent, resulting in a cost of 6.49¢/kWh. In addition to establishing these new rates, the legislation clarifies billing and metering requirements for customers in cases where SCL permits submetering; provides authority for SCL to bill a property owner for a tenant's use of electric service when proper notice of an account closure is not provided; and modifies rule prohibitions related to master metering.

The proposals set forth in this legislation support rate stability, equity among customer classes, and conservation of our electric resources. Should you have questions about the proposed rates or other changes related to the provision of electric service, please contact Mark Dombroski, City Light's Finance Director, at 684-3168.

Sincerely,

GREG NICKELS  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council